

Case Study: Innovation Squared: The Department for Work and Pensions Turns Innovation Into a Game

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The U.K.'s Department for Work and Pensions (DWP) has used game mechanics to create a market game for developing innovations from ideation to a business case in an engaging, human-centric environment. The result is a perpetual innovation machine where people from across the department can make a meaningful contribution to organizational change.

Key Findings

- Organizations have struggled for decades to decentralize innovation, but there are many roadblocks to success.
- While idea generation is easy, moving from ideation to candidate project has been one of the biggest problems.
- What is required is an environment where all employees can engage not only in the ideation phase, but also in development and support of ideas into business cases.
- The quality of the idea management output is directly proportional to the staff's level of involvement throughout the entire idea development process to proposal.

Recommendations

- Innovation is a social activity, and organizations must reach out to the broadest possible group of contributors.
- Use game mechanics to create an engaging environment for trading and developing ideas.
- Once launched, it is vital to heavily market the innovation "game" to gain a critical mass of contributors.

WHAT YOU NEED TO KNOW

Innovation management has evolved from electronic "suggestion boxes" for idea generation to become social platforms for the development and refining of ideas into a portfolio of candidate opportunities. The U.K.'s DWP has taken the next step by introducing game mechanics, including points, leader boards and a "buzz index" to create a marketplace for ideas built on a collaboration platform that enables idea development and trading. This approach has created an engaging platform for employees to contribute to the development of ideas, and for refining those ideas into business cases that the organization manages as a portfolio of opportunities.

CASE STUDY

Introduction

The U.K.'s DWP, like most organizations, struggled to decentralize innovation and engage employees in a meaningful way in organizational change. Like many organizations, the DWP implemented suggestion-box approaches at various levels in the organization. While there was no shortage of ideas, the decentralized nature of the approaches didn't provide the necessary infrastructure to effectively manage the ideas that were submitted. The ideas that were generated were not sufficiently developed to properly evaluate and select the ideas that had the best potential for implementation. What was required was a more centralized approach to idea management, with the means of developing and evaluating ideas so that management could be presented with the subset of ideas that held the most promise.

The Challenge

The U.K.'s DWP is responsible for welfare and pension policy and is a key player in tackling child poverty. It is the biggest public-service delivery department in the U.K. and serves customers across the U.K., interacting with most citizens at various points. The DWP has identified seven strategic objectives that drive its activities:

- Reduce the number of children living in poverty.
- Maximize employment opportunity for all.
- Improve health and safety outcomes.
- Promote independence and well-being in later life, continuing to tackle pensioner poverty and implementing pension reform.
- Promote equality of opportunity for disabled people.
- Pay our customers the right benefits at the right time.
- Make the department an exemplar of effective service delivery.

To achieve these objectives, the DWP engages in both top-down strategic initiatives, as well as bottom-up innovation. With more than 120,000 people on staff, the DWP has a tremendous resource to draw on for innovation. The challenge was to capture and develop ideas into a meaningful set of potential projects that would be selected for implementation. According to David Cotterill, director of innovation, the challenge was "finding a way to harness all that creativity at the front line. People wanted to help make things better, and all we had to do was create a structured way for them to do that while providing them with an incentive to do so. The gaming aspect is that incentive."

Approach

Cotterill recognized the symptoms of an underperforming idea management process and was able to prescribe a solution based on similar work he had done in a previous position in another organization. The approach was to create a market for ideas called "Idea Street" that employees could contribute to, collaborate in, and gain recognition for their participation. Launched 18 months ago and built on the Enterprise Spigit platform, the DWP incorporated game mechanics into Idea Street with the intent of creating the kind of environment that employees would find engaging. Using game mechanics is a key differentiator between this initiative and innovation management implementations in most other organizations. Generally speaking, game mechanics include the rules, roles, goals and interaction models for a game that make the game enjoyable to play. The term "gamification" has been used to describe the application of game mechanics to nongame environments. Game mechanics define the rules of the game and employ tools like leader boards and badges for motivation (see "Play to Win: Crowdsourcing Innovative Future-State EA Models Through Gameplay"). By applying game mechanics to the innovation problem, the DWP developed an innovation market that enables employees to participate in a market of ideas from ideation through development, and they are rewarded using a point system. Points (called DWPeas) are awarded for idea generation and through all stages of development. Employees can contribute their ideas, develop the ideas of others and even use their DWPeas to invest in the ideas they find most promising. When an idea is selected for implementation, the "shareholders" are rewarded with more DWPeas. Conversely, these same "shareholders" can lose DWPeas for ideas that are not selected for implementation. The result is an active market in ideas that employees are working on. The market even includes a "buzz index" that highlights the ideas that are most actively discussed. For example, if an idea submitted by an employee causes the buzz index to soar, other employees will be drawn into commenting or contributing to the development of the idea. Teams with promising ideas will often recruit managers with budget authority onto the project teams to involve them in idea development and ultimately investment. In cases where there is not a manager on the team to take the idea to the next level, the innovation team will shepherd the idea to the appropriate manager for review. The DWP is in the process of creating an innovation council to facilitate the process of identifying business managers to invest in promising ideas.

Figure 1. DWP's Idea Street Solution

The screenshot displays the DWP Idea Street website. At the top, there is a navigation bar with links for Home, News, View Ideas (highlighted), Idea Market, Store, Leaderboard, and My Profile. A search bar is located in the top right corner. Below the navigation bar, a section titled "Best of the best:" features six idea cards with star ratings and titles such as "Encourage universal use of email signatures" and "Scrap the People Performance end of year appraisal". A "Filter ideas by" section allows users to filter by Category, Author, and Keywords. The main content area is titled "View Ideas" and includes sorting options like "Recently Updated", "Recent Ideas", "Thumbs-Up", and "Thumbs-Down". Three idea listings are visible, each with a thumbs-up/down icon, a score, and a brief description. On the right side, there is a "Post an idea" button and a user profile for "Admin Test account" showing details like Join Date, Posts, Views, and Available DW-Peas.

Source: Gartner (November 2010)

The innovation team spends a lot of its time "in the game." During the development process, idea stakeholders can "buy" access to the innovation team with DWPeas to assist with the development of the idea. With just seven staff members, the innovation team has limited time available to work with teams on ideas, so the innovation group provides templates, tools and encouragement to the players to help them develop their ideas through several stages, the last of which is a business case for evaluation by business managers. The innovation management team also augments its staffing with short-term secondments of successful Idea Street participants onto the team. Not only does this provide additional resources who are strong in innovation, but also it acts as a powerful motivator for people to participate. Management typically does not interfere during the idea development stage, but as Idea Street has become an effective tool, senior managers sometimes log onto the tool to observe ideas in development.

To maintain interest in Idea Street, the innovation team publishes a weekly newsletter that focuses on the ideas gaining the most attention in Idea Street, or on ideas that may need a little help to move to the next stage. The newsletter always drives a spike in user activity. Even simple actions like changing the logos (similar to Google) keep the environment fresh. Interestingly, even the idea of changing logos came from Idea Street participants. But mostly, people participate because Idea Street is engaging.

Figure 2. Idea Street Logo Sample



Source: Gartner (November 2010)

Results

The motivations for contributing to Idea Street are strong. Idea Street currently has approximately 4,500 users and has generated about 1,400 ideas, of which 1,100 are currently active and 63 have gone forward to implementation. People want to be on the inside of the most promising ideas, which drives ongoing participation. The market itself provides a scoring system to evaluate the most promising ideas, since the players will invest only in the ideas they believe will be selected for implementation. Game mechanics have been effectively employed to turn Idea Street into an engaging human-centric experience.

Idea Street provides the DWP's management with a ranked portfolio of well-developed ideas that they can select from for implementation. So far, the DWP has invested in projects with returns totaling £ 21 million in benefits. Employees at the DWP find Idea Street an engaging environment where they can participate in idea development. The primary motivation for employees is increased recognition. In one recent project, a DWP call center employee submitted and developed an idea for creating internal marketing material for the DWP using a network of talented employees already onboard. The idea was adopted, and the employee who submitted and shepherded the idea through the process was given the opportunity for a secondment in the office of the head of the DWP, the permanent secretary.

Even more encouraging is the adoption of Idea Street by other departments of the U.K. government. According to George Addison, innovation manager, Idea Street has been implemented in three other government departments, is in the process of implementation in two other departments, and is being evaluated by a half-dozen more.

Critical Success Factors

Using a market game approach to idea management was a significant change in the way of working for the DWP, indeed as it would be for most organizations. Gaining the support of senior

management and selling the benefits of the approach were critical first steps in moving this initiative forward; however, after implementation, senior managers have become some of Idea Street's strongest supporters. As with any social network, there must be a critical mass of people involved before it becomes attractive to others. Planting the seeds of interest through effective marketing of Idea Street was key in developing that critical mass of participants that enabled it to ultimately go viral. The innovation team tackled this challenge head-on with all the usual marketing strategies, but also went beyond. The team developed interest by sitting in the foyers of DWP buildings and signing people up directly — even handing out DWPeas to potential participants to spark interest. The innovation team assumed they would need participation from 10% to 13% of the employees to reach critical mass; but in fact, critical mass was reached with about 4% to 5% of employees contributing within nine months.

Lessons Learned

- The DWP now understands that getting Idea Street established in the organization was a larger challenge than originally anticipated.
- More effort than expected was required to gain the support of senior management and attract a critical mass of participants. Once the platform has been established, the benefits that are achieved must also be continually communicated.
- While the point system has proven a very useful way of motivating participants, without an effective mechanism to "siphon points out" of the system, there is the risk of the leader board stabilizing with an inner circle that remains at the top. This is a challenge that the DWP is still working on, and it is considering various alternatives to make the leader board more dynamic.
- Early in the implementation cycle, the innovation team more actively participated in idea development and intervention generally. This has positive and negative results. On the positive side, participants appreciated the help and support. On the negative side, in a couple of cases, discussion threads were deemed inappropriate and shut down, which caused some backlash from the participants. The lesson learned is that participants feel significant ownership, and the innovation team is better to avoid intervening directly as much as possible. Rather, it's better to let the teams sort out their own issues.

RECOMMENDED READING

"Play to Win: Crowdsourcing Innovative Future-State EA Models Through Gameplay"

"Who's Who In Innovation Management Technology"

"Toolkit: RFI Product Requirements Template for Idea Management Applications"

"Inventing the Future: IT R&D Issues"

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